

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII**

---In the Matter of---)	
)	
PUBLIC UTILITIES COMMISSION)	DOCKET NO. 2009-0108
)	
Instituting a Proceeding to)	
Investigate Proposed Amendments)	
To the Framework for Integrated)	
Resource Planning.)	
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**MOTION TO INTERVENE
AND CERTIFICATE OF SERVICE OF
JW MARRIOTT IHI LANI RESORT & SPA,
WAIKOLOA MARRIOTT BEACH RESORT & SPA,
MAUI OCEAN CLUB, WAILEA MARRIOTT, AND
MARRIOTT HOTEL SERVICES, INC., ON BEHALF OF
KAUAI MARRIOTT RESORT & BEACH CLUB**

PUBLIC UTILITIES
COMMISSION

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FILED

Pursuant to Title 6 of the Hawaii Administrative Rules, Department Of Budget And Finance, Chapter 61, Rules Of Practice And Procedure Before The Public Utilities Commission ("Commission's Rules of Practice and Procedure"), Subchapter 4, JW Marriott Ihilani Resort & Spa, Waikoloa Marriott Beach Resort & Spa, Maui Ocean Club, Wailea Marriott, and Marriott Hotel Services, Inc., on behalf of Kauai Marriott Resort & Beach Club (hereinafter jointly referred to as the "Marriotts"), hereby file their motion to intervene, jointly and severally, and their certificate of service in the above-captioned docket, which was instituted by the Public Utilities Commission of the State of Hawaii ("Commission" or "PUC") in its "Order Initiating Investigation," dated May 14, 2009 ("May 14 Order").

The purpose of the investigation, as explained in the May 14 Order, is as follows:

By letter dated and filed on April 28, 2009, the HECO Companies, KIUC and the Consumer Advocate requested that the commission open an investigatory docket "to review and establish" a Clean Energy Scenario Planning Framework ("CESP Framework") that "revises the previous IRP Framework and proposes a planning process to develop generation and transmission resource plan options for multiple 20-year planning scenarios . . . [and] the development of a 5-year Action Plan based on the range of resource needs identified through the various scenarios analyzed." The CESP Framework also includes "the identification of Renewable Energy Zones, or geographic areas of the islands of rich renewable energy resources in which infrastructure improvements should be focused. The framework also proposes the CESP to include the identification of any geographic areas of the distribution system, Locational Value Maps, in which distributed generation or demand-side management resources are of higher value." The Proposed CESP Framework was included as Attachment 1 to the April 28, 2009 letter, and a red-line version of the IRP Framework that reflects the proposed CESP Framework was included as Attachment 2. [footnote omitted].

May 14 Order, pp. 2-3. The April 28, 2009 letter is set forth in Attachment A of the May 14 Order.

As signatories to the April 28, 2009 letter, the Commission made each of the following parties to these proceedings: the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("Consumer Advocate"), Hawaiian Electric Company, Inc., Maui Electric Company, Limited, and Hawaii Electric Light Company, Inc. (collectively, the "HECO Companies"), and the Kauai Island Utility Cooperative ("KIUC"). May 14 Order, p. 5

The Marriotts respectfully request that their motion to intervene jointly and severally be granted, and that they be made parties to this proceeding. In support of this pleading, the Marriotts state as follows:

I. INTRODUCTION

The Marriotts comprise five of the major resorts in Hawaii. The JW Marriott Ihilani Resort & Spa is located on Oahu and has 387 rooms. The Wailea Marriott is located on Maui and has 547 rooms. The Maui Ocean Club is located on Maui and has 442 rooms. The Waikoloa Marriott Beach Resort & Spa is located on the Big Island and has 813 rooms. The Kauai Marriott is located on Kauai and has 356 hotel rooms and 232 timeshare units. Each resort is a major employer as well as a major contributor to their island's economy.

The JW Marriott Ihilani Resort & Spa is currently a customer of HECO, with a monthly average peak demand of approximately 1,957.6 kW. Service is provided under HECO's Rate Schedule PP3.

The Wailea Marriott and the Maui Ocean Club are currently customers of MECO. The Maui Ocean Club has a monthly average peak demand of approximately 1,230 kW. Service is provided to the Wailea Marriott under MECO's Rate Schedules J & P, and to the Maui Ocean Club under Rate Schedule P4-Large Power.

The Waikoloa Marriott Beach Resort & Spa is currently a customer of HELCO, with a monthly average peak demand of approximately 813 kW. Service is provided under HELCO's Rate Schedule P.

The Kauai Marriott Resort & Beach Club ("Kauai Marriott") takes service from KIUC under Large Power Schedule L.

On a statewide basis, the Marriotts are actively considering whether or not to install cogeneration, solar, and wind facilities at the various hotel and resort properties identified above. In most cases, the Marriotts are in the early stages of investigating these various alternatives. However, as the Commission is aware, the Kauai Marriott has already installed and is operating on-site power generation equipment in a “combined heat and power” or “CHP” arrangement.

The Marriotts thus have a direct interest in this docket. The decisions made here will directly impact each Marriott’s decision to install alternative generation at their various properties throughout Hawaii, and those decisions, in turn, will impact the CESP Framework. As entities that either have installed, or are actively investigating whether to install, renewable energy resources and/or cogeneration equipment, and as further discussed herein, the Marriotts have direct – and substantial – financial, property, and other interests in the outcome of this docket that cannot be adequately represented by any other party.

II. MOTION TO INTERVENE

A. Facts And Reasons In Support Of The Marriotts’ Intervention Request.

In accordance with § 6-61-55 of the Commission’s Rules of Practice and Procedure, the facts and reasons supporting the Marriotts’ request for intervention are as follows.

1. The Nature Of The Movants’ Statutory Or Other Right To Participate In The Hearing.

JW Marriott Ihilani Resort & Spa, Waikoloa Marriott Beach Resort & Spa, Maui Ocean Club, Wailea Marriott, and the Kauai Marriott are each “persons” as defined by

§ 6-61-2 of the Commission's Rules of Practice and Procedure. JW Marriott Ihilani Resort & Spa is owned by Mass Mutual and Cornerstone Asset Management, Inc. Waikoloa Marriott Beach Resort & Spa is owned by BRE and Waikoloa Beach Resort. Maui Ocean Club is owned by its various timeshare owners, with management and other services provided by Marriott. Wailea Marriott is owned by Wailea, LLC.

Marriott Hotel Services, Inc., is the management company for the Kauai Marriott. As such, it is responsible for all operation and maintenance requirements for the facilities of the Kauai Marriott. As relevant here, Marriott Hotel Services, Inc., is responsible for controlling electricity costs, and is directly responsible for the planning, installation, and operation of the cogeneration equipment at the Resort.

Therefore, the Marriotts have the statutory right to move to intervene, jointly and severally, and to be made parties to the proceeding under § 6-61-55 of the Rules. In addition, as discussed above, the CESP Framework will have a direct impact on the Marriotts' decisions concerning whether or not to install solar, wind, or cogeneration facilities. For example, the JW Marriott Ihilani Resort & Spa is currently assessing both solar and wind turbine options. In addition to the already installed and operating CHP equipment, the Kauai Marriott is also considering whether to install solar facilities. The other Marriotts will, in the near future, be considering whether to install solar facilities. Conversely, the Marriotts' decisions will have an impact on the generation and planning scenarios to be addressed in the CESP Framework. The CESP Framework may also have a direct impact on the rates, including but not limited to, base rates and standby rates, paid by the Marriotts for electric service from the HECO Companies and KIUC, as well

as the technical aspects of integrating alternative energy sources with the utility/cooperative electrical system.

The Marriotts were active intervenors, and signatories to the settlements, in the recent dockets concerning the technical requirements for connecting DG/CHP to a utility system and the rates for standby service, Docket Nos. 2006-0497 (pertaining to the HECO Companies) and 2006-0498 (pertaining to KIUC).

Finally, the Marriotts are large purchasers and users of the electric services provided by the HECO Companies and KIUC.

For these reasons, the Marriotts seek to intervene, jointly and severally, in this proceeding.

2. The Nature And Extent Of The Movants' Property, Financial, And Other Interests In The Pending Matter.

As set forth above, the Marriotts have installed, or are considering whether or not to install, solar, wind, and/or cogeneration facilities at the various hotel and resort properties identified above. The CESP Framework will have a direct impact on such projects with respect to both the economics of each project, and the technical aspects of each project. The Framework also has the potential to directly affect the rates that the Marriotts pay for electric services from the HECO Companies and KIUC. Thus, the Marriotts have direct, substantial, and unique financial, property, and operational interests in the outcome of this proceeding. These are discussed in more detail in the following section of this motion.

3. The Effect Of The Pending Order On The Movants' Interests.

As discussed in this pleading, the CESP Framework ultimately adopted will directly and substantially impact the financial, property, and other interests of the Marriotts. The April 28, 2009 joint letter ("April 28 Letter") referenced in the May 14 Order includes a list of issues that the parties to the letter desired to address in this investigation, including (among others):

- The CESP process will provide high level guidance on long term (10-20 years) direction and an Action Plan for near term initiatives (5 years), balancing how the utility will meet its customers' expected energy needs as modified by planned energy efficiency, renewables substitution and demand response, encouraging high levels of renewable and clean energy with distributed resources, while protecting reliability at reasonable costs.
- Since clean energy actions and choices on one island may affect the entire State, all Hawaiian Electric utilities shall conduct the CESP process in parallel or as one CESP process for all three utilities, using common economic and other assumptions and common scenarios for technology, economic, and development paths and options, while maintaining the option to also develop island-specific scenarios.
- The CESP process will be conducted on an on-going basis with a new Clean Energy Scenario Plan developed in three-year cycles. The CESP process will include exploring alternative energy scenarios, risks and uncertainties, to develop a base case and variations for a 20-year planning horizon.
- The Hawaiian Electric utilities shall conduct a comprehensive generation and transmission analysis every three years to support the evaluation of several planning scenarios to be considered in developing the new base case. In addition, the Hawaiian Electric utilities shall provide Locational Value Maps that will guide the identification of geographic areas of distribution system growth for potential application of new energy efficiency, demand response, and distributed generation and storage within Clean Energy Investment Zones.

April 28 Letter, p. 2.

Obviously, as major customers of the HECO Companies and KIUC, the decisions of the Marriotts with respect to installation and operation of renewable and clean energy with distributed resources will impact the planning process. Conversely, decisions concerning how and where the HECO Companies and KIUC will “encourage” such alternatives, and how technical standards are developed to protect reliability will also directly impact the Marriotts. Issues concerning costs, and the recovery of those costs through rates or by other means, are of great importance to the Marriotts as well.

The Proposed CESP Framework set forth as an attachment to the April 28 Letter demonstrates the breadth of the proposal and, thus, its potential impacts on the Marriotts. By way of example, and not limitation, the Proposed CESP Framework includes the following “Governing Principles”:

- CESP scenarios and the CESP Action Plan shall be developed upon consideration and analyses of the costs, effectiveness, and benefits, and risks of appropriate, available, and feasible supply-side and demand-side options as guidance for Hawaii's clean energy future based on the October 20 Agreement.
- CESP scenarios and the CESP Action Plan shall give consideration to the plans' impacts upon the utility's consumers, the environment, culture, community lifestyles, the State's economy, and society.
- CESP scenarios and the CESP Action Plan shall take into consideration the need to preserve a stable electric grid and financially sound electric utility as vital components of our renewable energy future.
- The utility is entitled to recover all appropriate and reasonable clean energy scenario planning and implementation costs.

April 28 Letter, Attachment 1, pp. 4-5.

Clearly, the Marriotts will be impacted by the CESP as discussed previously. Moreover, to the extent that the utility is permitted by the Commission to recover planning and implementation costs, the Marriotts rates will be directly affected.

The scope of the Proposed CESP Framework is broad, and will, if adopted, have direct and both potentially positive and detrimental impacts on the Marriotts in both operational and financial terms. Some examples illustrate this conclusion. To begin, as noted above, the Proposed CESP Framework states that the reasonably incurred costs of implementing the programs may be recovered through base rates, rate basing, or escrow accounting. April 28 Letter, Attachment 1, pp. 14-15. Any of these recovery mechanisms will directly impact the rates paid by the Marriotts.

Likewise, the Proposed CESP Framework states that under appropriate circumstances, the Commission may provide the PBF Administrator with incentives to encourage participation in and promotion of full scale energy efficiency programs. April 28 Letter, Attachment 1, p. 16. The Marriotts have a direct interest in this issue, given their interest in solar, wind, and CHP.

According to the Proposed CESP Framework, the utilities may initiate various research programs to obtain detailed energy usage information about Hawaii energy customers so this information can be used to develop energy efficiency program designs and forecasts for future energy planning efforts. April 28 Letter, Attachment 1, p. 17. As large energy customers, the Marriotts have a direct interest in what information is to be requested of them, and whether such information is confidential and/or market sensitive. Assuming these issues are resolved, the Marriotts also have a direct interest in how such information is to be obtained and with whom it is to be shared.

The Proposed CESP Framework also addresses distributed generation:

The utility shall develop a forecast of the amount of distributed generation that could be installed by utility customers, third parties, or the utility over the planning horizon.

The distributed generation resources considered in the forecast shall include, but not be limited to, the following:

- a. Biofueled and fossil fueled generating resources;
- b. Combined heat and power resources;
- c. Photovoltaic resources;
- d. Small wind and hydro resources; and
- e. Other small renewable energy resources as defined by HRS §269-91 of the State's RPS.

April 28 Letter, Attachment 1, p. 18. As discussed, the Kauai Marriott has already installed 810 kW of DG/CHP, and the other Marriotts are considering this alternative, as well as small wind and photovoltaic resources. Thus, these issues are of particular interest to the Marriotts. The Marriotts decisions will impact the utilities planning and decisions, and vice versa.

The April 28 Letter also references the October 20, 2008 "Energy Agreement Among The State of Hawaii, Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs, And The Hawaiian Electric Companies" ("Energy Agreement") arising out of the Hawaii Clean Energy Initiative. The Energy Agreement is designed to move the State away from its dependence on imported fossil fuels for electricity and ground transportation, and toward "indigenously produced renewable energy and an ethic of energy efficiency." According to the April 28 Letter, the Energy Agreement:

is a commitment on the part of the State and the Hawaiian Electric Companies to accelerate the addition of new, clean resources on all islands; to transition the Hawaiian Electric Companies away from a model that encourages increased electricity usage; and to provide measures to assist consumers in reducing their electricity bills.

April 28 Letter, p. 2. The Marriotts are actively engaged in exploring new, clean resources and in exploring ways to reduce their purchases of electric services from the HECO Companies and KIUC, and thus reducing their electricity bills.

All in all, the Proposed CESP Framework is intended to be a comprehensive approach to develop generation and resource plan options. It will be the roadmap for Hawaii's energy future, and, as such, those that are directly impacted by it – such as the Marriotts – have a direct interest in the proceedings.

4. The Other Means Available Whereby The Movants' Interests Will Be Protected.

Other than direct participation as intervenors in this docket, the Marriotts have no other means to protect their interests. As discussed above, the financial, property, and other interests of the Marriotts will be directly impacted by the outcome of this proceeding and are unique to the Marriotts. Only the Marriotts can determine what is best for the Marriotts. Indeed, in some instances, the interests of the Marriotts may be directly opposed to the interests of the HECO Companies and KIUC. This is true not only with respect to cost recovery, but with respect to operational, data gathering, and planning issues as well.

5. The Extent To Which The Movants' Interests Will Not Be Represented By Existing Parties.

Pursuant to the May 14 Order, the named parties are the HECO Companies, KIUC, and the Consumer Advocate. As explained above, the Marriotts' interests are not represented by the HECO Companies or KIUC.

The Consumer Advocate is statutorily mandated to represent the interests of all consumers of utility services, including residential customers. Thus, in the performance of its duties, it cannot represent a specific interest, such as that of the Marriotts. Stated differently, the Consumer Advocate cannot, consistent with its statutory mandate, simply take the positions advocated by the Marriotts, and may ultimately decide to take positions that are at odds with those of the Marriotts.

The Marriotts' interests are not represented by existing parties. The Marriotts are directly impacted by the CESP Framework and, thus, their intervention should be granted on a joint and several basis.

6. The Extent To Which The Movants' Participation Can Assist In The Development Of A Sound Record.

The Marriotts' participation will assist in the development of a sound record by ensuring that entities with a direct stake in the CESP Framework and that possess "on-staff" expertise in these matters are directly involved in this investigation. The participation of the Marriotts as intervenors will ensure that their unique viewpoint is part of the record to be developed and enable the Commission to consider all relevant information.

7. **The Extent To Which The Movants' Participation Will Broaden The Issues Or Delay The Proceeding.**

As discussed throughout this proceeding, the interests of the Marriotts are directly affected by the Proposed CESP Framework. The Marriotts agree to address the issues set forth in the April 28 Letter and Proposed CESP Framework. Thus, the Marriotts' participation will neither broaden the issues nor delay the investigation, but is consistent with the stated purpose of the investigation.

8. **The Extent To Which The Movants' Interests In The Proceeding Differ From That Of The General Public.**

The Marriotts' interests in this proceeding differ from that of the general public because, as described herein, the Marriotts are large customers that either have installed and are operating, or may install and operate, photovoltaic, wind, and/or CHP equipment. Thus, the Marriotts will be directly impacted by the CESP Framework, and decisions by the Marriotts will directly impact the CESP Framework. As discussed above, the Consumer Advocate represents a much broader range of interests and may, in fact, take positions that are adverse to the Marriotts' interests here.

9. **Whether The Movant's Position Is In Support Of, Or In Opposition To, The Relief Sought.**

As this is an investigation, the relief sought is to review and establish a CESP Framework. The Marriotts generally support the adoption of a fair and reasonable Framework, and will work with other parties to develop such a Framework. Given the breadth of the proposal, the Marriotts, like all parties, will support some of the proposals and oppose some of the proposals. The Marriotts, as intervenors, would also be willing to participate in discussions to determine whether any negotiated outcome is possible.

B. Persons Designated To Receive Service.

Correspondence and communications should be addressed to:

Tyrone Crockwell
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C. Hearing On Motion.

No hearing is requested on the motion to intervene. However, the Marriotts would be pleased to respond to any questions that the Commission may have through further pleadings or a hearing.

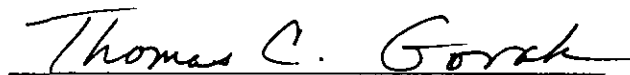
III. CONCLUSION

WHEREFORE, JW Marriott Ihilani Resort & Spa, Waikoloa Marriott Beach Resort & Spa, Maui Ocean Club, Wailea Marriott, and Marriott Hotel Services, Inc., on behalf of Kauai Marriott Resort & Beach Club, respectfully request that the Commission grant their motion to intervene in this docket on a joint and several basis, and that they be granted party status in this docket with all rights appurtenant to that status.

Respectfully submitted,

**JW MARRIOTT IHILANI RESORT & SPA,
WAIKOLOA MARRIOTT BEACH RESORT & SPA,
MAUI OCEAN CLUB, WAILEA MARRIOTT, AND
MARRIOTT HOTEL SERVICES, INC., ON BEHALF OF
KAUAI MARRIOTT RESORT & BEACH CLUB**

By their attorney:



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Dated: June 2, 2009

CERTIFICATE OF SERVICE

I hereby certify that on this day I have served a copy of the foregoing "Motion To Intervene And Certificate Of Service Of JW Marriott Ihilani Resort & Spa, Waikoloa Marriott Beach Resort & Spa, Maui Ocean Club, Wailea Marriott And Marriott Hotel Services, Inc., on behalf of Kauai Marriott Resort & Beach Club," by depositing one copy of same in the United States Mail, first class postage prepaid (unless otherwise indicated), and addressed to the following:

CATHERINE P. AWAKUNI
EXECUTIVE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
DIVISION OF CONSUMER ADVOCACY
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Dated: Honolulu, Hawaii, June 2, 2009.



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PUBLIC UTILITIES
COMMISSION

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FILED

OF COUNSEL
TERESA M. BAY
ADMITTED ONLY IN
MARYLAND & DISTRICT OF COLUMBIA

June 2, 2009

Chairman and Commissioners
Public Utilities Commission
of the State of Hawaii
465 South King Street
First Floor
Honolulu, HI 96813

Re: **Docket No. 2009-0108, In the Matter of, Public Utilities
Commission, Instituting a Proceeding to Investigate
Proposed Amendments To the Framework for
Integrated Resource Planning.**

Dear Chairman and Commissioners:

Enclosed for filing on this date in the above-captioned docket are the original and eight copies of the "Motion To Intervene And Certificate Of Service Of JW Marriott Ihilani Resort & Spa, Waikoloa Marriott Beach Resort & Spa, Maui Ocean Club, Wailea Marriott And Marriott Hotel Services, Inc., on behalf of Kauai Marriott Resort & Beach Club." We have enclosed \$15.00 to cover the filing fees. Kindly receipt stamp the additional copies and return them to the messenger.

Should you have any questions, please do not hesitate to contact me at (808) 377-3408. Thank you for your attention to this matter

Sincerely,



Thomas C. Gorak

Enclosures